

## **REMARKS**

Applicants reply to the Office Action dated June 24, 2009, within three months. The Examiner rejects the pending claims. Applicants cancel claims 24-32 without prejudice to filing one or more claims having similar subject matter. Applicants add new claim 43. Support for the claim amendments and new claim may be found in the originally-filed specification, claims, and figures. No new matter has been introduced by the claim amendments and new claim. Reconsideration of this application is respectfully requested.

## **Examiner Interview**

Applicants thank the Examiner for the Interview on July 30, 2009, wherein Applicants' attorney and the Examiner discussed the incorporation by reference issues and the above amendments.

Applicants explained the new independent claim 43 **which does NOT include the incorporation by reference matter** and new amendments which **clarify the subsequent earning of loyalty points after the purchase transaction (but prior to paying the bill for the charge related to the transaction), wherein the subsequently earned points offset the previously incurred charge related to the transaction.**

Applicants asserted that the MPEP nor the *Zenon* case mention any requirement to explain the specific portion provided, IF APPLICANTS DID NOT INTEND TO LIMIT THE INCORPORATION TO ONLY A SPECIFIC PORTION (i.e., the entire document was intended to be incorporated).

## **Current Amendments**

Applicants assert that the transaction card in Burton is limited to the reward value that is **previously earned** by the participant. In contrast, the presently claimed invention enables the user to use the charge card up to the entire amount of the available credit limit (e.g., \$5000). Not only can the cardmember purchase a higher cost item (higher than the reward value on the day of the purchase), but the **cardmember can also then earn more loyalty points subsequent to completing the purchase** and before the billing statement is due. The cardmember can then use even more points (old points and newly earned points) to offset the previously executed charge. **In contrast, even if Burton could pay for part of the item with a charge card, the Burton system limits the participant to only pay all or a portion of the value of the item using the reward point value that exists on the card at the time of the purchase.**

Applicants also add new claim 43 which does NOT include the incorporation by reference matter. New claim 43 includes elements which further clarify the subsequent earning of loyalty points after the purchase transaction (but prior to paying the bill for the charge related to the transaction), wherein the subsequently earned points offset the previously incurred charge related to the transaction.

Applicants further clarify this significant difference by amending the independent claims to include that the cardmember can be approved for a much larger amount, far beyond the amount of reward point value. Applicants assert that it is significant that the presently claimed invention includes the cardmember being authorized with sufficient creditworthiness (e.g., up to his credit limit at the time of purchase) when conducting the purchase, the cardmember completing the purchase, then the cardmember requests, via a web interface, that his loyalty points be used to pay the amount due on the charge statement. In response to using the loyalty points to pay for the previously executed transaction, the payment processor then increases the available credit for the cardmember.

While Burton may allow the participant to use the limited reward cash value to during the purchase transaction, the Burton participant cannot (i) conduct a purchase for an amount greater than the monetary value of loyalty points (up to an available credit limit), (ii) subsequently earn more loyalty points prior to having to pay the charge card bill, and (iii) in real time convert the points and (iv) apply the cash value to a charge card statement (v) using a web interface in order to (vi) offset a previously executed charge and (vii) to increase the available credit limit. In particular, Burton does not disclose or contemplate at least “approving, by said computer, said payment authorization request for any of said full purchase amount up to said available credit associated with said account code,” or “increasing, by said computer and in real time, said **available credit** based upon said **offset of said previously executed charge**,” (emphasis added) as similarly recited in the pending independent claims, including new independent claim 43.

Burton also does not disclose or contemplate at least “increasing a balance of loyalty points associated with said account code to obtain **an increased balance of loyalty points**, subsequent to said approving said payment authorization request, and based upon loyalty program rules for earning loyalty points;” or “receiving, at said computer and from said participant using said device, a request to **apply** a currency value of at least a portion of said **increased balance of loyalty points** to at least a portion of said full purchase amount,”

(emphasis added) as similarly recited in the pending independent claims, including new independent claim 43.

### **New Matter Rejection**

The Examiner objects to the 2/27/09 amendments under 35 USC 132(a) because the Examiner asserts that the amendments include new matter. The Examiner rejects claims 1 and 3-42 under 35 USC 112, first paragraph, as failing to comply with the written description requirement. In particular, the Examiner asserts that the original specification does not discuss the specific subject matter being incorporated. Applicants respectfully disagree and assert that the Examiner's requirement to further describe the incorporated text would *defeat the main purposes of using incorporation by reference, and no limit on the amount of incorporated material exists.*

As discussed by Applicants' counsel in the phone call to the Examiner on July 30, 2009, Applicants assert that the MPEP specifically discusses the use of incorporation by reference in order to **avoid** the need to repeat text from the incorporated document. For example, MPEP 2163.07(b) states "**Instead of repeating some information** contained in the another document, an application may attempt to incorporate the content of another document or part thereof **by reference to the document** in the text of the specification" (emphasis added). In other words, Applicants appropriately stated that the system can be integrated with the incorporated by reference systems and methods, and Applicants provided a detailed explanation in the previous 4/28/09 Reply regarding how such incorporated text integrates with the original text to support the current claims.

Applicants also assert that no statutory requirement exists to identify specific portions of the incorporated text, if Applicants intend to include all of the text. In that regard, the Examiner has not cited to any statutory requirement for identifying specific portions of the incorporation by reference subject matter. For example, MPEP 2163.07(b) states that the incorporation by **reference text is considered the same as if it was repeated in the specification, without any mention of a requirement to explain the specific portion provided, IF APPLICANTS DID NOT INTEND TO LIMIT THE INCORPORATION TO ONLY A SPECIFIC PORTION (i.e., the entire document was intended to be incorporated).** 37 CFR 1.57 also states that **"essential text" can be incorporated by reference, without any mention of explaining the specific portion provided** (we are incorporating the text of other patent applications and not NPL). By analogy, MPEP 201.17 states that inadvertently omitted text can be included if it was

simply incorporated by reference, so Applicants assert that the text in the previous amended specification should also be able to be included, *even if no explanation of a specific portion was provided.*

Applicants also assert that, while the currently pending claims may focus on certain combinations of embodiments, the various embodiments of the invention disclosed by Applicants include various combinations of embodiments from the original text of the specification and all of the incorporation by reference text. In other words, Applicants are not requiring a reader to only focus on certain portions of the incorporated text, because all of the text is part of the various embodiments of the invention. As stated above, no limit exists on the amount of text of the specification, and again, Applicants may only be claiming certain portions of the specification, similar to most claims that are issued by the USPTO.

In the previous Reply, Applicants submitted significantly amended independent claims and a new independent claim which include claim elements from issued claim 1 of U.S. Patent No. 7,343,351 (U.S. Serial No. 09/652,899) and issued claim 1 of U.S. Patent No. 7,216,091 (U.S. Serial No. 09/241,188). These patents are fully incorporated by reference in the originally filed specification of the instant application. Applicants have confirmed that these issued patents were pending at the time of filing of the instant application and that both patents are still owned by American Express Travel Related Services Company, Inc., who is the assignee of the instant application.

In summary, Applicants assert that Applicants have a right to utilize any portion of any incorporated by reference text to support its claims, so if the Examiner prefers that Applicants more clearly cite to certain portions of such incorporated text, Applicants would be willing to further amend the specification as such. Otherwise, Applicants respectfully request that the Examiner fully consider the previous claim amendments and new claims, along with the detailed explanation in the previous 4/28/09 Reply regarding how such incorporated text integrates with the original text to support the currently pending claims. In the 4/28/09 Reply, Applicants located relevant portions of the instant applications and the referenced Patents in order to demonstrate that the incorporation of the claim elements was contemplated by the inventors at the time of the filings of the instant applications, and the overall embodiments were not obvious by one skilled in the art at the time of filing the instant applications.

**Previous Rejections under 35 U.S.C. § 103(a)**

The Examiner previously rejected claims 1, 3-12, 19, 24-28, 33, 34, 35, and 37 under 35 U.S.C. § 103(a) as being unpatentable over Burton et al., U.S. Patent No. 5,025,372, (“Burton”) in view of Tedesco et al., U.S. Patent No. 6,898,570, (“Tedesco”) in view of McMullin et al., U.S. Patent No. 6,222,914, (“McMullin”), and in further view of Adams et al., U.S. Patent No. 7,025,674, (“Adams”). Applicants respectfully disagree with the rejections.

Applicants traverse the official notice taken by the Examiner of the Office Action because “the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known.” MPEP 2144.03. **If the Examiner still maintains the previous 103 rejections, Applicants therefore respectfully request that “the examiner provide documentary evidence in the next Office action if the rejection is to be maintained.” Id.**

Specifically, Applicants note that the Examiner made several statements regarding “obviousness” without providing references that would support the assertions. For example, in reference to displaying a balance of loyalty points remaining within a section of a billing web page, the Examiner notes that, while Burton does not “fully address the portion of the claim that recites that the balance of loyalty points is displayed in a section of the webpage...the Examiner feels that this is obvious also” (page 5, paragraph 2).

Regarding the above example, Applicants note that it is not the mere display of a loyalty point balance within a web page that is unique, but rather it is the display of a point balance relative to the additional claimed limitations, which disclose how a credit account balance is offset by a redemption of loyalty points (from different merchants) after one or more purchase transactions are facilitated. Applicants respectfully request that the Examiner cite references (instead of “official notice”) that disclose the uniquely combination of steps, as presently claimed.

Burton generally discloses a system for awarding a credit card holder with monetary rewards based on performance. The Burton system enables the card holder to elect to have all or a portion of the monetary awards allocated to a credit card account, which may later be used to facilitate purchases. The card sponsor determines a level of achievement (e.g., employee sales goals) that the card holder must obtain in order to have a specified monetary reward credited to their credit card account. Burton further discloses that, at regular intervals (e.g., annually, semiannually, quarterly), the system analyzes the card holder performance over the previous

period, determines a number of points to be awarded based on the performance level, determines if any bonus points have been earned, and applies the sum value to the card holder's account. At that point, the card holder may use the awarded point value to facilitate a purchase.

Burton does not disclose a conversion ratio. Burton discloses no specific variance considerations that are used to determine a conversion rate. For example, the Burton employer cannot define rules that state conditions effecting a conversion rate. More significantly, conditionally adjusting the conversion rate during a purchase transaction would not be possible under Burton, because the conversion has already occurred on the currency value loaded to the card of the employee.

Tedesco generally discloses a customer acquisition system that enables an "offeror service provider" to acquire new customers by making acquisition offers to customers through the billing statements of other businesses. The customer acquisition system of Tedesco uses predefined criteria to automatically include an acquisition offer on a billing statement or on associated promotional materials. The Tedesco billing statement allows the customer to accept the acquisition offer using the billing statement.

Moreover, Tedesco discloses that an amount owed by a customer may determine whether the customer receives an acquisition offer. Also, the Tedesco system enables acquisition offers to be targeted to customers based on geographic information, such as zip codes, historical data, credit reports, purchase histories, and the like. The Tedesco system allows service providers to target localized markets by using the customer databases of other geographically-oriented service providers, such as, for example, utility companies.

McMullin generally discloses a system for administering incentive award programs. According to the McMullin system, award points may be earned in response to certain actions by participants and credited to the participant's credit card, but only after a predetermined time delay. The participant must still be a customer in good standing with the credit card sponsor at the end of this predetermined delay period in order to receive the awarded points.

The objective of the McMullin system is to create an incentive for the participant to purchase the sponsor's goods and/or services in order to earn award points, and further create an incentive for the participant to remain a loyal customer of the sponsor in order to receive and redeem the award points at some point in the future. Each award point serves a double function as a reward for using the sponsor's products and/or services and also as an incentive for customer loyalty to the sponsor.

Adams generally discloses a system for awarding promotional points through a game such as, for example, a casino game, a video arcade game, and the like. The game includes a display that displays an ongoing balance of promotional points that are earned based on a player's performance. This provides the player with an incentive to play the game and to continue playing the game to accumulate additional promotional points that may be later exchanges for items offered by participating merchants. Adams further discloses that various promotional items may be displayed on the game display along with a point value for each item to further encourage the player to accumulate an adequate balance of promotional points to exchange for a desired item.

While Burton, Tedesco, McMullin, and Adams each disclose variations on systems for issuing and redeeming loyalty points, and Adams discloses converting a point balance to a cash value, neither of the references disclose or contemplate receiving a request to redeem the loyalty points and issuing an account code based on the request in order to ensure that a loyalty point account remains secure from fraudulent transactions. As those of ordinary skill in the art would appreciate, a loyalty point account can accumulate a significant monetary value for consumer. With the growing issues associated with credit card fraud, it serves to follow that the fraudulent redemption of loyalty points associated with a credit account, for example, is, or will likely become, a major problem. However, neither of the cited references disclose security measures, beyond what is presently known, for ensuring that the redeemer of loyalty points is the true owner of the loyalty points.

Claims 3, 4, 6-12, 25-28, 34, 35 and 42 variously depend from independent claims 1, 5, 19, 24, and 33. Applicants assert that dependent claims 3, 4, 6-12, 25-28, 34, 35 and 42 are differentiated from the cited reference for at least the same reasons as set forth above, as well as their own respective features.

The Examiner previously rejected claims 13-18, 20-23, 29-32, 36, and 38-41 under 35 U.S.C. § 103(a) as being unpatentable over Burton, Tedesco, McMullin, and Adams, in further view of Storey et al., U.S. Patent No. 5,774,870, ("Storey"). Applicants respectfully traverse the rejections.

Storey generally discloses an online frequency reward program, where a user may shop catalogs online for products to purchase through the redemption of loyalty points. Storey further facilitates management of the loyalty account, electronically placing an award redeeming order with a fulfillment house, and updating the user's award account. As in Burton, Tedesco,

McMullin, and Adams, user's of the Storey system are not able receive a request to redeem loyalty points and issue an account code based on the request in order to ensure that a loyalty point account remains secure from fraudulent transactions. As such, neither Burton, Storey, Adams, nor any combination thereof disclose or suggest the combination of steps recited above in reference to claims 1, 5, 19, 24, 33, and as similarly recited by independent claims 23 and 38.

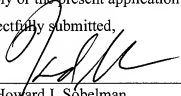
Claims 13-18, 20-22, 29-32, 36, and 39-41 variously depend from independent claims 5, 19, 24, 33, and 38. Applicants assert that dependent claims 13-18, 20-22, 29-32, 36, and 39-41 are differentiated from the cited reference for at least the same reasons as set forth above, as well as their own respective features.

New Independent claim 43 includes similar elements as independent claim 1. Applicants assert that independent claim 43 is differentiated from the cited reference for at least the same reasons as set forth above, as well as its own respective features.

Applicants respectfully submit that the pending claims are in condition for allowance. The Commissioner is hereby authorized to charge any fees which may be required, or credit any overpayment, to Deposit Account No. **19-2814**. If an extension of time is necessary, please accept this as a petition therefore. Applicants invite the Office to telephone the undersigned if the Examiner has any questions regarding this Reply or the present application in general.

Respectfully submitted,

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